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SUBJECT: PM INDEPENDENCE DAY SPEECH: THE WORLD IS WATCHING
US

Classified By: Charge Robert O. Blake, Jr. for Reasons 1.4 (B, D)

1. (U) SUMMARY: In his second annual independence day speech to the nation, PM Manmohan Singh echoed themes from his recent address to the US Congress regarding India's rising economic power, its democratic credentials, its increasing engagement with the international system, and the need to ensure that the country's rural majority share the benefits of these achievements. Building on remarks he made before the G-8 summit, Singh offered a sharp warning that words are not enough to insulate the Pakistan peace process from the threat of cross-border terrorism. He was upbeat on US-India relations, saying that his visit had been "a major step in promoting friendship". The PM also reiterated his offer of dialogue with all elements of Kashmiri society, although Hurriyat hardliners dismissed the offer as posturing. His economic message was aimed as much at state governments as the audience, emphasizing poverty eradication schemes and the need for the common man to feel empowered in dealing with government. Amid an unprecedented police presence in Delhi and an unusual spike in publicly reported terrorist threats, Delhites heaved a sigh of relief that the day passed without any major violent incident. END SUMMARY.

THE WORLD IS WATCHING: WE MUST FOCUS ON THE COMMON MAN

2. (U) The PM started off his annual August 15 Independence Day speech at Red Fort in Delhi (internet link in para 11) with the usual patriotic evocations, but shifted quickly to India's changed status in the world. Seven percent annual economic growth, explained the PM, had fundamentally altered India's prospects, and made the eradication of poverty a real possibility "in our times". As a result, "the entire world...is viewing India as an emerging power of these times," the PM claimed. The PM also highlighted how India has achieved this growth within a democratic framework that values diversity in all its dimensions. To achieve the government's vision for India's future, said Singh, seven major areas of improvement required attention: agriculture, irrigation, education, health, employment, urban renewal, and infrastructure. The PM reviewed progress in each of these fields, detailing various government programs to deal with shortfalls, and urging the states to focus on good governance. The economic message in the speech was as notable for what it didn't say as for the explicit message to the states. The clear subtext to the bureaucracies was that they have to become part of the solution, rather than the problem. The PM signaled that the GOI is intent on moving forward with economic reform and expects the bureaucrats to support, not hinder, this effort. The PM also gave a rhetorical boost to the draft National Rural Employment Guarantee Bill, a mammoth spending project that purports to provide each able-bodied rural-dweller with a fixed minimum amount of paid work per annum. Critics say such a bill would be costly, economically unjustifiable, and prone to corruption. Continuing his domestic focus on the daily lives of average Indians, the PM explained his government's commitment to social justice and equitable development for all; he also mentioned pledges to increase quotas for the disadvantaged as a means to this end. COMMENT: Quota expansions are sure to raise the ire of middle class Hindus who have in the past supported the BJP. END COMMENT.

STILL WORKING ON THE BASICS: MANAGING THE WEATHER

3. (U) In addition to listing the areas of citizens' needs where the government still has much homework, the PM mentioned natural disasters whose brunt India had borne in the past year. The tsunami in December, snows of January, and floods of July, he said, had a terrible impact on the common man, especially in Mumbai. In a tacit nod to the government's failure to maintain infrastructure sufficiently to minimize the effect of such disasters, the PM announced the establishment of a National Disaster Management Authority.

OFFERS DIALOGUE TO KASHMIRIS, WARNS PAKISTAN

4. (C) PM Singh affirmed that Jammu and Kashmir state (J&K) was "once again on the path of peace and progress," but warned that as long as terrorists continue their attacks, the armed forces "will be alert and give them a fitting response". Reiterating his offer to talk to all segments of

Kashmiri society, the PM insisted, "I have said before and I am repeating once again that there is no issue that cannot be resolved through a process of discussion and dialogue. I invite everyone to join us to discuss the problems of the state of Jammu and Kashmir so that its people can lead a life of peace and dignity". However, he warned, "If violence continues, then our response, too, will be hard. I am aware the Government of Pakistan has put some checks on the activities of terrorists from its soil. However, it is not possible to achieve success through half-hearted efforts. It is necessary that the entire infrastructure of terrorism is totally dismantled." Some moderate and hardline Hurriyat members, speaking for themselves and not/not for the All Party Hurriyat Conference (APHC) immediately slammed the PM for making an empty gesture, but CM Mufti Mohamed Sayeed urged the PM to talk to all segments and regions of Kashmiri society, and the APHC had not, at time of writing, given an official statement. COMMENT: The APHC's delay in issuing an official statement means outright dismissal of the PM's offer is unlikely; we hear from more and more sources that dialogue will start after the Monsoon session of Parliament. END COMMENT.

ON BALANCE, IT'S (SOMEWHAT) PEACHY WITH PAKISTAN

15. (C) Cognizant of the terrorist threats hanging over India, the PM was guardedly upbeat about Pakistan, insisting the Composite Dialogue was continuing, and, as a result, the Srinagar-Muzzafarabad bus was running. He also hinted vaguely at opening similar services from points in other states. The PM mentioned that discussions continued on the Iran-Pakistan-India gas pipeline, and re-affirmed his desire to work with all South Asian neighbors to "address the challenges of poverty, unemployment, and disease. If India and Pakistan are able to work together, then we will have many opportunities for making our countries prosperous."

A SHOUT-OUT TO OUR NEIGHBORS

16. (U) The PM told his fellow citizens he would travel to Afghanistan to strengthen historic ties and support nascent democracy there "in all possible ways". He also was warm toward China, with whom India was ready to "deepen our trade and cultural relations...for the benefit of the two nations. The agreement arrived at between our two countries in April has paved the way for a closer relationship." THREE CHEERS FOR THE RED, WHITE, AND BLUE IN MOSCOW & DC

17. (C) His visit to the US, explained the PM, "has been a major step in promoting friendship". Moreover, the PM stressed, "by deepening our economic and technological relations, we will be accelerating our own growth. Simultaneously, our two democracies can work together to strengthen democracy in the world." In the next breath, however, the PM also threw a bouquet to Russia, India's "old friend" who had helped the country through "difficult times". COMMENT: A necessary nod to India's longest and closest alliance, but a lead-off with talk of India's newest and most important one. END COMMENT.

THE WORLD WANTS US TO SUCCEED

18. (U) Bucking up his countrymen at the close, the PM explained "there comes a time in the history of a nation when it can be said that the time has come to make history. We are today at the threshold of such an era," and insisted "the world wants us to do well and take our rightful place on the world stage. There are no external constraints on our development. If there are hurdles, they are internal. We must seize this moment and grab this opportunity. We must have self-confidence that we are second-to-none, that Indians are as good as the best."

COMMENT: PLAIN MANMOHAN-SPEAK: FOLLOW-THROUGH IS KEY

19. (C) COMMENT: The speech was no flight of rhetorical fancy, nor was it a populist harangue. Indeed, the BJP called it "routine," with "nothing new." Instead, a technocrat PM outlined in detail what it would take for India to take its rightful place on the world stage. The economist in Singh was distinctly visible as he laid out his vision for greater prosperity of the nation with economic growth being the engine for tackling social problems. The domestic vision is laudable. The challenge, however, is to realize the vision. High corruption, large numbers of unemployed, lack of high literacy levels and a crying need for infrastructural development are major impediments to a rapid growth. Singh believes that these problems can be tackled with a concerted and sincere effort on the part of the government even though government has been the firm foot on the brake of progress for almost five decades. How far this would succeed and how

much of his vision is shared by the states who have an important role in achieving his vision, is something that the whole nation will watch carefully.

COMMENT II: (RELATIVELY) PEACEFUL AND QUIET

10. (C) Newspapers said the threat this year from terrorism was "five times higher" than in previous years and the police presence in New Delhi was more pronounced than any of us have seen before. For over two weeks prior to the speech security forces had been sanitizing a radius of three kilometers around Red Fort to foil terrorists. Twenty thousand additional police flooded Delhi to intimidate anyone with nefarious intentions; police reportedly seized over 50 kilos of RDX in Delhi, UP, J&K, and Punjab prior to the speech. In this context, the PM shot a clear warning across Pakistan's bow about terrorism, and shied away from rhetorical flourishes about peace. The speech was subdued, the mood was somber, yet, most Indians heaved a big sigh of relief as the sun set on India's 58th Independence Day. There had been no attack on Red Fort, no attacks on religious sites, no attack on BJP/RSS offices, no massacre in Kashmir, and only one Naxalite attack in Andhra Pradesh. For India, it was an unusually quiet day on which to reflect on how far the nation has come, and how far it has yet to go. END COMMENT.

11. (U) Full text of English translation of PM's speech in Hindi can be found at

<http://pmindia.nic.in/lspeech.asp?id=166>
BLAKE